



TO: Selected DWD Employees and Supervisors

FROM: Diana L. Gushrowski
Interim Deputy Commissioner/Controller

DATE: March 29, 2004

SUBJECT: DWD Policy 2003 - 29
Use of Assigned State Vehicles

Re: DWD Staff who is assigned an agency vehicle.

Purpose: To provide agency's policy regarding use of assigned state vehicles and reporting procedure.

Rescission: DWD Communication 2001-28 dated March 19, 2002.

Joseph E. Kernan, Governor
Alan D. Degner, Commissioner

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Content:

Effective March 19, 2002, DWD adopted a policy regarding the use of assigned state vehicles for "Commuting Use Only". Except for minimal incidental use, such as stopping for lunch while working or a stop for a personal errand on the way home, the vehicle is not to be used for personal use other than commuting to and from work.

The Internal Revenue Service (IRS) requires payroll tax withholding and compensation reporting (W-2) for employees using assigned state vehicles for non-business or commuting purposes. The cost is \$1.50 for each one-way commuting trip. This is considered an employee benefit, and the employee is taxed on the amount of the benefit (number of one-way trips x \$1.50). An increase is made to the gross pay and a corresponding deduction is made in the same amount. This increases taxable income, but does not increase the employee's pay. Taxes are deducted for the fringe benefit provided.

The following are clarifications of business and non-business (commuting trips):

- Each trip the employee makes from either his/her home to his/her assigned workstation or from the office to his/her home is considered a non-business trip, and there is a charge of \$1.50 per trip.
- When an employee travels directly from his/her home to the first business appointment of the day (does **not** go to the office), there is no charge for the trip. This would be considered to be a business trip.
- At the end of the business day, if the employee returns home directly from his/her last business appointment (does **not** go to the office), there is no charge for the trip. Again, this would be a business trip.

- If the employee travels from his/her home to the office and returns home from the office, there is a charge of \$3.00 for the day (two one-way trips). These trips would be non-business trips as the employee is commuting between his/her resident and his/her assigned workstation.

It is the responsibility of affected employees to report the number of one-way commutes between his/her home and assigned workstation for each payroll period by completing State Form 49632, Employee Statement of Employer Provided Vehicle Use. The employee must complete Sections 1 and 2. The total number of trips for the payroll period is entered in Section 2. The form is signed by the employee and submitted to his/her immediate supervisor for review. After review, the form is submitted to the Payroll Section.

If you have questions regarding this policy, please contact Marlene Mueller, Management Services, (317) 232-5627. If you have questions regarding payroll, please contact Vickie Stultz, Payroll, (317) 233-7745.

Effective Date: March 29, 2004

Review Date: March 28, 2006

Ownership: Management Services

Actions: Supervisors will insure affected staff is made aware of the policy and procedures.